

September 15, 2006

TO: CENTRAL VALLEY REGIONAL WATER CONTROL
ATTN: MARK LIST, Supervisor

FROM: DARYL & KATHY NIX
4645 Monticello Road, Napa CA 94558
PHONE: 707-252-9564
FAX: 707-252-6814

RECEIVED
SACRAMENTO
CVRWOCB
06 SEP 18 PM 3:18

RE: CEASE & DESIST ORDER for Napa Berryessa Resort Improvement District
Wastewater Treatment System

TO WHOM IT MAY CONCERN:

We just became aware of the above order issued September 13, 2006. We are owners of a lot located in the Berryessa Highlands on Bahia Vista. We are a small family developer in this area, myself, my husband and my son. We have been developing homes one at a time for the past 3 years. We are able to sustain our family on the income we have received out of these homes.

We started our permit for development on our Bahia Vista lot on July 26, 2006, Application #B06-01258. We are ready to start the project September 18, 2006. Everything is finished with the permit process and we are ready to pull the final permit now. I went to pay for the Water/ Sewer fees today at Napa County Public Works and they informed us of the CEASE AND DESIST ORDER they had just received and that they could not let us proceed.

This "will" financially ruin us if we are not able to proceed with this project. We have a loan for this project and the lot purchase already in process of \$250,000. I am a Manufactured Home Dealer with the State of California, Dept. of Housing and Community Development and I have ordered a home that has already been built and is ready to transport now to the site. I will not be able to pay for the home if we are not able to proceed for the draw in this loan to pay for the home. Not only will we be financially ruined, but I stand a chance on losing my license as well as my contract with the wholesaler, Karsten Homes in Sacramento.

Since this is a family business, not only will this financially devastate our livelihood, but my son and his home as well. We are praying that this can be resolved quickly and that we will be able to move forward as planned to curtail any damage.

Very Sincerely.



Daryl and Kathy Nix



Transport Information
Contact: Susan Holloman
(916) 363 - 2681, ext. 51
(916) 363 - 2769 (fax)

RETAILER

Liberty Homes

FAX #

707-252-6814

TRANSPORTER

FAX #

RUN #

578

SERIAL #

32892

CUSTOMER/STOCK

Bahia Vista #98

	A	B	C
HEIGHT	<u>15'10"</u>	<u>15'10 1/2"</u>	<u> </u>
LENGTH	<u>52'</u>	<u>52'</u>	<u> </u>
WIDTH	<u>11'10"</u>	<u>11'10"</u>	<u> </u>
EAVES	<u>16"</u>	<u>16"</u>	<u> </u>

WEIGHT CERTIFICATE

YES

NO

☒

SPECIAL NOTES:

Magnate Fund #2 LLC

1355 Willow Way, Suite #244
Concord, CA 94520
Phone (925) 676-7038 Fax (925) 676-1142

Loan # 0

EXHIBIT "A" - CONSTRUCTION DISBURSEMENT SCHEDULE

MAXIMUM DISBURSEMENT: 5 DRAWS, 10 CHECKS, 10 PAYEES
ADDITIONAL DRAWS = \$150.00 ADDITIONAL CHECKS = \$75.00

INITIAL \$117,061.00

Est. Disbursement Date 4/18/2006

Check Payable to:	Land Payoff	\$ 100,000.00
Check Payable to:	Estimated Title Fees	\$ 1,500.00
Check Payable to:	Deposit to mobile home escrow	\$ 24,105.00
Check Payable to:	Building permits/school fees FEES	\$ 15,500.00
Check Payable to:	Daryl Nix (soils report, foundation plans, lot prep)	\$ 6,880.00

DRAW #2 \$19,500.00

Est. Disbursement Date

Check Payable to:	Daryl Nix (foundation) <i>Nix Construction</i>	\$ 19,500.00
Check Payable to:	Note: copy of building permit required for this draw	\$ -
Check Payable to:	0	\$ -

DRAW #3 \$15,074.00

Est. Disbursement Date

Check Payable to:	Ernie's Mobile Transport (transportation)	\$ 2,400.00
Check Payable to:	Quality Communities (set house)	\$ 10,974.00
Check Payable to:	S&S Rewall-sheetrock \$1,000/Gary Eisenhower-carpet \$700	\$ 1,700.00

DRAW #4 \$72,315.00

Est. Disbursement Date

Balance Due on Home

Check Payable to:	Dealership and/or Flooring Company	\$ 72,315.00
Check Payable to:		\$ -

DRAW #5 \$7,150.00

Est. Disbursement Date

Check Payable to:	Daryl Nix (deck, utilities)	\$ 7,000.00
Check Payable to:	Note: inspection to verify house set on foundation required	\$ 150.00
Check Payable to:	for this draw	\$ -

Interest Reserve	\$ 5,000.00
Construction Reserve	\$ -
Lenders Fees	\$ 13,900.00
Loan Amount	\$ 250,000.00
Estimated Cash to Close	\$ 30,924.00

I/We the undersigned have reviewed the disbursement schedule and estimated funding dates and give Magnate Fund #2 LLC our authorization to fund accordingly. I/We give Magnate Fund #2 LLC authorization to use our reserve (if available) to pay for additional costs or overruns to complete project. If no reserve exists I/We understand that Magnate Fund #2 LLC will not be able to pay the contractor in full and I/We will have to make arrangements to satisfy the contractor accordingly. In the event that actual construction cost is less, I/We authorize Magnate Fund #2 LLC to credit our reserve account. If draw request exceeds the disbursement amount, the draw will not be made and no further draws will be made until resolved. In addition, I/We acknowledge that Magnate Fund #2 LLC will debit our reserve, on the first of every month, the interest accrued on our construction balance. In the event the reserve is diminished to an amount insufficient to pay the interest accrued, I/We promptly pay Magnate Fund #2 LLC the interest due to prevent default on the promissory note.

RECEIPT

NAPA COUNTY
1195 THIRD STREET
SUITE 210
Napa, CA 94559

Application: B06-01258

Application Type: Building / Mobile Home / MFG Home Permanent Foundation / New

Address: CA

Owner Name: Kathy and Daryl Nix

Owner Address: 4645 Monticello Rd, Napa, CA 94558

Receipt No.:	58398				
Payment Method	Ref Number	Amount Paid	Payment Date	Cashier ID	Comments
Check	6514	\$187.00	07/26/2006 01:17:22 PM	CBEYE	

Owner Info.: Kathy and Daryl Nix
4645 Monticello Rd
Napa, CA 94558

Work Description: MH on permanent foundation w/ garage

T8108-D
Version 4.0

